

Begin March 23, 1961

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BULLETIN

SECOND LEAD KENNEDY-ROUNDUP
WASHINGTON, MARCH 23 (AP)-PRESIDENT KENNEDY WARNED RUSSIA TONIGHT THAT THE UNITED STATES AND ITS ALLIES "WILL HAVE TO CONSIDER THEIR RESPONSE" IF ARMED ATTACKS BY COMMUNIST REBELS ARE NOT HALTED IN WAR-SCOURGED LAOS.

THE PRESIDENT CALLED ON RUSSIA TO ACCEPT A CEASE-FIRE BETWEEN THE PRO-WESTERN LAOTIAN GOVERNMENT AND THE RED-SUPPORTED REBELS NOW THREATENING TO CAPTURE THE LAOTIAN CAPITAL OF VIENTIANE. KENNEDY MADE NO DIRECT ANSWER TO A QUESTION ABOUT THE POSSIBILITY OF A DECLARATION OF WAR IF THINGS COME TO THE WORST. HE SAID HE HAD LAID DOWN THE PROSPECTS AND ALTERNATIVES IN A FORMAL STATEMENT ON LAOS WITH WHICH HE HAD OPENED A NEWS CONFERENCE.

"WE WILL KNOW A GOOD DEAL MORE IN THE COMING DAYS," HE SAID. AND, HE SAID, HE HOPES FOR A FAVORABLE REACTION FROM THE KREMLIN TO A BRITISH PROPOSAL, TO WHICH HE GAVE FULL U. S. SUPPORT, THAT RUSSIA ACCEPT A CEASE FIRE IN LAOS AND A START ON NEGOTIATIONS.

THE FALL OF THE LITTLE MOUNTAIN KINGDOM TO THE RED REBELS, KENNEDY SAID, WOULD ENDANGER THE SECURITY OF ALL SOUTHEAST ASIA AND "QUITE OBVIOUSLY AFFECT THE SECURITY OF THE UNITED STATES."

KENNEDY REINFORCED HIS WORDS WITH HUGE MAPS CHARTING THE PROGRESSIVE COMMUNIST CONQUEST OF LAOS SINCE LAST AUGUST. THE REDS STARTED WITH FOUR SMALL SEGMENTS ALONG THE BORDER AND NOW HOLD LARGE AREAS IN THE NORTHERN AND EASTERN SECTOR OF THE COUNTRY.

THOUGH AMERICAN WARSHIPS ARE REPORTED ALREADY ON THE MOVE INTO THE SOUTHEAST ASIAN AREA, KENNEDY AVOIDED MAKING ANY DIRECT MILITARY THREATS. NEVERTHELESS, THE INTENT OF HIS CAUTIOUSLY WORDED STATEMENT SEEMED CLEAR TO HIS AUDIENCE--THE UNITED STATES MUST BE EXPECTED TO USE FORCE IF NECESSARY TO SAVE LAOS.

RUSSIAN SUPPLY PLANES, KENNEDY SAID, HAVE FLOWN 1,000 SORTIES TO THE COMMUNIST REBEL FORCES SINCE DEC. 13. COMBAT SPECIALISTS HAVE BEEN SENT IN TO AID THEM, MAINLY FROM NORTH VIETNAM. UNITS WERE MOVING

ASKED ABOUT REPORTS THAT U.S. NAVY AND MARINE UNITS WERE MOVING TOWARD THE LAOS AREA, KENNEDY REPLIED ONLY THAT HIS EARLIER STATEMENT REPRESENTED THE VIEWS HE WISHES TO EXPRESS AT THIS TIME.

HE WAS ASKED WHETHER THERE WAS ANY DEADLINE BY WHICH THIS GOVERNMENT WOULD EXPECT TO SEE PROGRESS TOWARD A PEACEFUL SOLUTION BEFORE CONSIDERING WHAT MEASURES IT MIGHT TAKE.

KENNEDY SAID NO TIME LIMIT HAS BEEN GIVEN, BUT OBVIOUSLY THE UNITED STATES IS ANXIOUS TO SEE A BEGINNING OF NEGOTIATION.

KENNEDY PUT THE NEWS CONFERENCE FOCUS ON LAOS, AND NEWSMEN KEPT IT THERE--ALTHOUGH THEY DID WORK IN THE USUAL RUN OF QUESTIONS ABOUT OTHER ISSUES AND HOME FRONT PROBLEMS.

THE PRESIDENT WAS PLAYING FOR PUBLIC UNDERSTANDING AND SUPPORT OF A POLICY OF UNSWERVING DETERMINATION TO KEEP LAOS OUT OF COMMUNIST HANDS AT ALMOST ANY COST.

HE SEEMED TO BE DIGGING A TOE INTO LAOTIAN SOIL, DRAWING A LINE, AND SAYING THE UNITED STATES WOULD NOT ALLOW THE REDS TO CROSS IT, REGARDLESS OF THE CONSEQUENCES.

BUT ALL THIS WAS IN THE POLISHED LANGUAGE OF A CAREFULLY PHRASED STATEMENT OF DIPLOMATIC POSITION.

THE UNITED STATES IS COMMITTED TO A FREE, INDEPENDENT, NEUTRAL LAOS, AND KENNEDY TOLD HIS FELLOW COUNTRYMEN: "I KNOW EVERY AMERICAN WILL WANT THIS COUNTRY TO HONOR ITS OBLIGATIONS."

30.24

HE CALLED FOR A PEACEFUL SOLUTION "AT THE CONFERENCE TABLE AND NOT ON THE BATTLEFIELD," AND WENT ON TO DECLARE THERE "MUST BE A CESSATION OF THE PRESENT ARMED ATTACKS" BY COMMUNIST FORCES AGAINST THE LAOTIAN GOVERNMENT.

"IF THESE ATTACKS DO NOT STOP," HE SAID, "THOSE WHO SUPPORT THE INDEPENDENCE AND NEUTRALITY OF LAOS WILL HAVE TO CONSIDER THEIR RESPONSE."

IN EFFECT, KENNEDY INDICATED HE WOULD INVOKE THE SOUTHEAST ASIA TREATY ORGANIZATION OBLIGATIONS TO PREVENT LAOS FROM FALLING TO COMMUNIST DOMINATION. HE SAID THE TREATY MEMBERS, WHICH INCLUDE THE UNITED STATES AND SEVEN OTHER NATIONS, HAVE "SPECIAL TREATY RESPONSIBILITIES" FOR PRESERVING LAOS AS AN INDEPENDENT NATION.

THE PRESIDENT SPOKE OUT AT A NEWS CONFERENCE CARRIED TO THE NATION ON LIVE RADIO AND TELEVISION. THE HOUR OF 6 P.M., EST, HAD BEEN CHOSEN TO GIVE HIS WORDS MAXIMUM IMPACT.

THERE WERE 426 NEWSMEN AT THE CONFERENCE, A RECORD HIGH ATTENDANCE. THE PREVIOUS RECORD WAS 418 AT KENNEDY'S FIRST PRESS CONFERENCE.

IN ANTICIPATION OF A HEAVIER THAN USUAL TURNOUT OF NEWSMEN, A PARTITION THAT HAD BEEN PUT UP TWO-THIRDS OF THE WAY BACK IN THE STATE DEPARTMENT AUDITORIUM HAD BEEN REMOVED. THE PARTITION WAS ERECTED AFTER KENNEDY'S FIRST NEWS CONFERENCE SO THE BACK OF THE CHAMBER WOULDN'T LOOK SO BARE.

THE PRESIDENT SAID HE WANTED "TO MAKE IT CLEAR TO THE AMERICAN PEOPLE AND ALL THE WORLD THAT ALL WE WANT IN LAOS IS PEACE NOT WAR."

AND, HE ADDED, THE UNITED STATES WILL "NOT BE PROVOKED OR TRAPPED" INTO ANY SOLUTION OF THE TROUBLES IN THE MOUNTAINOUS, JUNGLE COVERED KINGDOM THAT WOULD NOT BE IN ACCORD WITH THE WISHES OF THE LAOTIAN PEOPLE.

"LAOS," THE PRESIDENT SAID, "IS FAR AWAY FROM AMERICA, BUT THE WORLD IS SMALL. THE SECURITY OF ALL SOUTHEAST ASIA WILL BE ENDANGERED IF LAOS LOSES ITS NEUTRAL INDEPENDENCE."

AS FOR BRITAIN'S BID TO MOSCOW TO BRING ABOUT AN IMMEDIATE CEASE FIRE IN THE WAR BETWEEN THE PRO-WESTERN FORCES OF THE LAOTIAN GOVERNMENT AND THE COMMUNIST BACKED REBELS, KENNEDY SAID THAT:

"WE STRONGLY SUPPORT THE PRESENT BRITISH PROPOSAL FOR AN END OF HOSTILITIES" AND AN OPENING OF NEGOTIATIONS.

KENNEDY WAS ASKED WHAT REACTION THE RUSSIANS HAVE GIVEN TO THE BRITISH PROPOSAL--PUT FORTH YESTERDAY AFTER CONSULTATION WITH THE UNITED STATES.

THE PRESIDENT REPLIED IT WAS IMPOSSIBLE TO MAKE A CLEAR JUDGMENT YET ON THE RUSSIAN RESPONSE. BUT HE SAID HE HOPES IT WILL BE FAVORABLE.

KENNEDY RELATED AT THE OUTSET THAT HE AND FORMER PRESIDENT EISENHOWER SPENT MORE TIME ON THE LAOS PROBLEM THAN ON ANY OTHER SUBJECT AT THEIR LAST MEETING.

HE RECALLED THE GENEVA SETTLEMENT OF 1954 ON CHINA. IT WAS CLEAR PREMISE, HE SAID, THAT LAOS SHOULD BE NEUTRAL, FREE OF EXTERNAL DOMINATION.

HE SAID IN THE FIRST YEARS REAL PROGRESS WAS MADE DESPITE RIVAL FACTIONS, BUT THE EFFORTS OF A COMMUNIST-DOMINATED GROUP TO DESTROY NEUTRALITY NEVER CEASED.

IN 1960, HE SAID, THE COMMUNISTS AND THEIR SUPPORTERS TURNED TO A LARGE MILITARY EFFORT TO TAKE OVER.

FLANKING KENNEDY ON HIS RIGHT WERE THREE GIANT MAPS OF LAOS, EACH ABOUT SIX FEET WIDE AND EIGHT OR TEN FEET TALL. THEY GRAPHICALLY PICTURED HOW THE PRO-COMMUNIST REBELS HAVE PUSHED STEADILY INTO THE

LITTLE KINGDOM IN THE LAST SEVEN MONTHS AND NOW THREATEN THE CAPITAL ITSELF. HE POINTED TO THEM TO SHOW THE DEVELOPMENTS.

14 ON AUG. 7, THE REBELS HELD ONLY FOUR SMALL POCKETS ALONG THE NORTHEASTERN BORDER OF LAOS. BY DEC. 20, WHEN THE PRESENT CRISIS DEVELOPED AND INTENSIFIED FIGHTING BROKE OUT, THEY HAD PUSHED CONSIDERABLY BEYOND THESE TINY BEACHHEADS AND HAD JOINED THEM UP TO A LARGE DEGREE. AS OF YESTERDAY, THEY HELD A SIZEABLE SECTION OF THE NORTHWESTERN PART OF THE NATION, EXTENDING TO WITHIN A FEW MILES OF VIENTIANE, THE CAPITAL.

15 THE PRESIDENT SAID THE PATHET LAO HAS HAD INCREASINGLY GREATER SUPPORT FROM THE COMMUNISTS. HE SAID SOVIET PLANES HAD BEEN EVIDENT. HE ALSO SAID THERE HAD BEEN MILITARY SPECIALISTS FROM NORTH VIET NAM WITH THE PATHET LAO.

IT ALL WAS PART, HE SAID, OF A CLEAR EFFORT TO DESTROY THE AGREED UPON NEUTRALITY OF LAOS.

THIS NEW DIMENSION OF OUTSIDE-SUPPORTED WARFARE CREATES THE GRAVE PROBLEM, KENNEDY SAID.

THE PRESIDENT EXPRESSED THESE OBJECTIVES:

16.1. WE STRONGLY AND UNRESERVEDLY SUPPORT THE GOAL OF AN INDEPENDENT, NEUTRAL LAOS--TIED TO NO OUTSIDE POWERS. "OUR SUPPORT IS AIMED ENTIRELY AND EXCLUSIVELY AT THAT RESULT."

2. THERE MUST BE A CESSION OF THE PRESENT ARMED ATTACK BY EXTERNALLY SUPPORTED COMMUNISTS.

IF THEY DO NOT STOP, THOSE SUPPORTING NEUTRAL LAOS WILL HAVE TO CONSIDER THEIR RESPONSE.

KENNEDY SAID FURTHER WE ARE IN FAVOR OF CONSTRUCTIVE NEGOTIATION AMONG THE NATIONS CONCERNED AND THE PEOPLE OF LAOS.

HE SAID "WE STRONGLY SUPPORT THE PRESENT BRITISH PROPOSAL" FOR AN END TO HOSTILITIES AND NEGOTIATION ON THE MATTER.

"LAOS IS FAR AWAY FROM AMERICA, BUT THE WORLD IS SMALL," HE SAID, ADDING THAT THE SECURITY OF ALL SOUTHEAST ASIA WILL BE ENDANGERED IF LAOS LOSES ITS NEUTRAL INDEPENDENCE.

CAREFUL NEGOTIATIONS ARE NOW BEING CONDUCTED, KENNEDY SAID, AND PROMISED THAT CONGRESS AND THE COUNTRY WILL BE KEPT FULLY INFORMED AS THE SITUATION DEVELOPS.

17 KENNEDY OPENED THE NEWS CONFERENCE BY MAKING A STATEMENT ON THE LAOS SITUATION.

ONCE HE INVITED QUESTIONS, THE FIRST ONE WAS WHAT REACTION THERE HAS BEEN FROM THE RUSSIANS TO BRITAIN'S PROPOSAL.

THE BRITISH HAVE HAD A CONVERSATION WITH THE RUSSIANS, KENNEDY REPLIED, BUT HE SAID IT IS NOT POSSIBLE NOW TO MAKE A CLEAR JUDGMENT AS TO THE RUSSIAN RESPONSE.

ASKED THEN ABOUT REPORTS THAT NAVY AND MARINE UNITS ARE MOVING TOWARD THE LAOS AREA, KENNEDY SAID HIS EARLIER STATEMENT REPRESENTED THE VIEWS HE WISHES TO EXPRESS AT THIS TIME.

"I HOPE IT WILL BE POSSIBLE FOR US TO SEE A PEACEFUL SOLUTION," KENNEDY SAID.

WITH THAT, HE SAID THE MATTER WAS AT REST FOR THE MOMENT.

HE WAS ASKED WHETHER THERE WAS ANY DEADLINE BY WHICH THIS GOVERNMENT WOULD EXPECT TO SEE PROGRESS TOWARDS A PEACEFUL SOLUTION BEFORE CONSIDERING WHAT MEASURES IT MIGHT TAKE.

KENNEDY SAID NO TIME LIMIT HAS BEEN GIVEN, BUT OBVIOUSLY THE UNITED STATES IS ANXIOUS TO SEE A BEGINNING OF NEGOTIATION.

THE QUESTIONER ASKED WHETHER THIS GOVERNMENT HAD ANY TIME LIMIT IN ITS OWN MIND. KENNEDY SAID OBVIOUSLY THE SITUATION GROWS MORE SERIOUS AS TIME GOES ON, BUT HE SET NO TIME.

A QUESTIONER WANTED TO KNOW WHETHER THE EVENTS OF THE PAST WEEK HAD CHANGED HIS VIEW AS TO THE DESIRABILITY OF A MEETING WITH SOVIET PREMIER NIKITA S. KHRUSHCHEV.

18 "NO," KENNEDY REPLIED.
TO A QUESTIONER WHO ASKED WHETHER INTERVENTION BY THE SOUTHEAST

ASIA TREATY ORGANIZATION MIGHT BE CONSIDERED IF CAREFUL EFFORTS TO OBTAIN A PEACEFUL SOLUTION IN LAOS FAILED, KENNEDY AGAIN REFERRED TO THE STATEMENT WITH WHICH HE OPENED THE CONFERENCE.

WHILE THE LAOS SITUATION DOMINATED THE NEWS CONFERENCE, OTHER SUBJECTS WERE TOUCHED ON:

MINIMUM WAGE--ASKED ABOUT THE POSSIBILITY OF HIS ACCEPTING COM-PROMISE LEGISLATION, KENNEDY SAID HE SUPPORTED A BILL FOR \$1.25 AN HOUR AND EXPANDED COVERAGE OF THE MINIMUM WAGE.

HE SAID HE WAS HOPEFUL IT WOULD BE PASSED. "AND I FIND IT DIFFICULT TO UNDERSTAND HOW ANYBODY WITH A BUSINESS MAKING A MILLION DOLLARS BY 1963 WOULD OBJECT TO PAYING SOMEONE 50 DOLLARS A WEEK."

HE SAID WE ARE TALKING ABOUT STANDARDS FOR MILLIONS OF FELLOW AMERICANS. "AND I BELIEVE IT IS IN THE PUBLIC INTEREST TO PASS THAT BILL AS CLOSELY AS POSSIBLE" TO THE WAY HE PROPOSED IT.

BUSINESS CONDITIONS--KENNEDY SAID "THERE ARE EVIDENCES OF SOME IMPROVEMENT IN THE ECONOMY." BUT HE SAID THE QUESTION IS WHETHER THE NORMAL SPRING UPTURN WILL BE ENOUGH TO REDUCE UNEMPLOYMENT AND WHETHER THAT UPTURN WOULD BE THE BEGINNING OF A SUSTAINED ECONOMIC GROWTH IN THE FUTURE.

HE SAID IT WAS IMPOSSIBLE IN MARCH, ON THE BASIS OF THE FIRST SPRING FIGURES, TO MAKE A JUDGMENT ON THESE ECONOMIC MATTERS.

CIVIL RIGHTS--KENNEDY WAS ASKED ABOUT THE RACIAL DISCRIMINATION CONTROVERSY SURROUNDING THE ASSEMBLY PLANNED NEXT MONTH BY THE CIVIL WAR CENTENNIAL COMMISSION.

19 "ANY PROGRAM OF THIS KIND SHOULD PROVIDE FACILITIES AND MEETING PLACES WHICH DO NOT DISCRIMINATE," KENNEDY SAID.

HE ADDED HE WOULD AGAIN COMMUNICATE WITH U. S. GRANT III, CHAIRMAN OF THE CENTENNIAL COMMISSION, SEEKING SUCH AN OUTCOME.

A NEW JERSEY NEGRO DELEGATE HAS SAID SHE WOULDN'T BE ALLOWED TO STAY AT THE HEADQUARTERS HOTEL IN CHARLESTON, S.C., THE COMMISSION THIS WEEK SAID IT COULD NOT CONTROL HOTEL ACCOMMODATIONS.

CITING WHAT HE SAID WAS A KENNEDY CAMPAIGN PLEDGE TO MOVE AGAINST RACIAL SEGREGATION IN GOVERNMENT-FINANCED HOUSING, A REPORTER ASKED WHETHER KENNEDY NOW PLANS TO ISSUE AN EXECUTIVE ORDER IN THIS MATTER.

KENNEDY SAID HE IS CONSIDERING AREAS FOR EXECUTIVE ACTION IN THE MATTER OF SEGREGATION AND THAT WHAT HE CALLED A VERY STRONG ORDER AGAINST DISCRIMINATION IN GOVERNMENT CONTRACTORS HAD BEEN ISSUED. HE SAID OTHER AREAS ARE STILL BEING STUDIED.

BUDGET--KENNEDY SAID BUDGET REVENUE ESTIMATES WILL BE SUBSTANTIALLY LOWER THAN THEY WERE ESTIMATED A YEAR AGO BY PRESIDENT EISENHOWER. HE SAID HE WAS SENDING A MESSAGE TO CONGRESS TOMORROW WHICH WOULD EXPLAIN THE SITUATION. BUT HE NOTED THAT BECAUSE OF THE SLOW ECONOMY, THERE QUITE OBVIOUSLY WILL BE LESS RECEIPTS THAN HAD BEEN ANTICIPATED.

20 HE SAID HE WOULD HAVE A MESSAGE TO CONGRESS MONDAY OR TUESDAY ABOUT THE DEFENSE BUDGET. HE SAID THAT MESSAGE WOULD ANSWER BETTER ANY QUESTIONS ABOUT WHETHER HE WAS SATISFIED WITH AMERICAN CONVENTIONAL FORCES AND WHETHER THEY COULD, IF CALLED UPON, BE USED IN LAOS.

FOREIGN AID--ASKED ABOUT FOREIGN AID, KENNEDY SAID HE WANTED TO "MAKE MORE EFFECTIVE USE OF THE FUNDS AVAILABLE."

HE SAID IT WAS DIFFICULT TO TELL A COUNTRY TO MAKE NECESSARY INTERNAL REFORMS IF WE CAN'T GUARANTEE THEM A LOAN FOR MORE THAN 12 MONTHS.

HE SAID ONE OF THE REASONS SO MUCH OF THE MONEY HAD BEEN WASTED IN THE PAST WAS BECAUSE MONEY WAS APPROPRIATED ON A YEAR-TO-YEAR BASIS.

HE SAID HIS FIVE-YEAR PLAN REPRESENTS THE "BEST USE OF THE MONEY" AS THE ADMINISTRATION SEES IT.

TRANSPORTATION--A NEWSMAN PUT A QUESTION ABOUT HIS PLANS TO COORDINATE TRANSPORTATION AND SAVE THE RAILROADS, AS THE REPORTER PUT IT, IN ORDER TO ASSURE THE MOVEMENT OF MISSILES, IF NECESSARY.

21 KENNEDY SAID HE SAW NO PROSPECT THAT THE MOVEMENT OF MISSILES WOULD BE ENDANGERED.

AS FOR COMMUTERS. HE SAID THERE ARE SERIOUS PROBLEMS IN SOME AREAS

AND THE MATTER IS UNDER GOVERNMENT STUDY.
(END RUNNING).

A31

AMS BUDGET (470)

NIGHT LEAD CENSORSHIP 30.24

BY STANLEY JOHNSON

MOSCOW, MARCH 23 (AP)-THE SOVIET UNION TODAY LIFTED DIRECT CENSORSHIP ON FOREIGN CORRESPONDENTS' DISPATCHES BUT WARNED THEY WILL BE EXPelled IF THEIR OUTGOING REPORTS DISPLEASE SOVIET AUTHORITIES. THIS ANNOUNCEMENT, MADE TO A NEWS CONFERENCE BY THE FOREIGN OFFICE PRESS SECRETARY, MIKHAIL KHLAMOV, MADE IT CLEAR THAT FOREIGN CORRESPONDENTS REMAIN SUBJECT TO WHAT IS KNOWN ELSEWHERE AS CENSORSHIP OF RESPONSIBILITY. NONE OF THIS NEWS WAS MENTIONED BY THE DOMESTIC PRESS OR RADIO.

EACH CORRESPONDENT MUST RETAIN COPIES OF ALL DISPATCHES HE SENDS ABROAD FOR AS LONG AS HE REMAINS IN THE U.S.S.R. THIS, EXPLAINED KHLAMOV, WILL ENABLE THE CORRESPONDENT TO PROVE WHETHER WHAT WAS PUBLISHED ABROAD UNDER HIS NAME ACTUALLY WAS SENT BY HIM.

KHLAMOV DISCLOSED THAT DIRECT CENSORSHIP HAS NOT YET BEEN LIFTED FOR MOVEMENT OF PHOTOGRAPHS OR TELEVISION FILM, ADDING THAT "THIS IS A NEW QUESTION AND WE WILL HAVE TO WORK IT OUT." HE SAID, HOWEVER, THAT RADIO BROADCASTERS COULD SEND OUT TAPE RECORDINGS OF THEIR VOICES PROVIDED THEY KEPT TYPEWRITTEN COPIES OF ALL SUCH RECORDINGS. NEITHER WAS THERE ANY RELAXATION OF THE RIGID INTERNAL CENSORSHIP ON WHAT MAY APPEAR IN THE SOVIET UNION.

EXCEPT FOR TWO BRIEF PERIODS--JUST BEFORE THE SOVIET-FINNISH WAR OF 1939 AND FOR ABOUT TWO WEEKS IN 1946--CENSORSHIP HAS BEEN IN EFFECT IN THE U.S.S.R. SINCE THE 1917 REVOLUTION.

UP TO NOW, ALL NON-COMMUNIST CORRESPONDENTS HAVE BEEN REQUIRED TO SUBMIT THEIR DISPATCHES TO A CENSOR BEFORE THE COPY COULD BE TELEPHONED OR TELEGRAPHED ABROAD. BUT THERE ARE NOW 150 FOREIGN CORRESPONDENTS IN MOSCOW--A THIRD OF THEM FROM WESTERN COUNTRIES--ON A PERMANENT BASIS, IN SHARP CONTRAST TO THE SCATTERED FEW WHO HAD BEEN ON HAND IN THE ERA BEFORE NIKITA KHRUSHCHEV WAS COMMUNIST PARTY CHIEF AND PREMIER.

KHLAMOV SAID THE IMMEDIATE AIM OF THE NEW RULING IS TO "FACILITATE THE MOVEMENT OF ORDINARY NEWS COPY." NON-COMMUNIST CORRESPONDENTS STILL HAVE THEIR PROBLEMS, HOWEVER.

IT IS EXTREMELY DIFFICULT FOR THEM TO OBTAIN ACCESS TO SOVIET OFFICIALS OR SOVIET NEWS SOURCES. THE FOREIGN OFFICE AND THE CULTURAL AFFAIRS COMMITTEE HAVE PRESS DEPARTMENTS, BUT NEITHER IS PREPARED TO ANSWER QUESTIONS ON SHORT NOTICE. CORRESPONDENTS USUALLY ARE TOLD TO WAIT UNTIL THE ANSWERS ARE PUBLISHED IN THE MOSCOW NEWSPAPERS.

UP TO NOW THE DIRECT CENSORSHIP AT LEAST HAD PROVIDED CERTAIN GUIDANCE TO CORRESPONDENTS CONCERNING WHAT THEY COULD AND COULD NOT WRITE, ALTHOUGH THEY NEVER TALKED TO THE CENSOR HIMSELF. THEY UNDERSTOOD THAT HUMAN INTEREST COPY ABOUT SOVIET LEADERS WAS TABOO, BECAUSE INVARIABLY IT WOULD BE CUT FROM THEIR COPY. THEY LEARNED TO BE CIRCUMSPECt ABOUT COVERING MILITARY AND EVEN POLITICAL SUBJECTS, BECAUSE SOVIET PRESS AND OFFICIALS HAVE BEEN READY WITH ACCUSATIONS OF ESPIONAGE.

KHLAMOV ASSURED CORRESPONDENTS THAT IN THE FUTURE THEY WILL HAVE MORE ACCESS TO HIM AND OTHER FOREIGN OFFICE SPOKESMEN. ALL WESTERN CORRESPONDENTS HAVE LONG LISTS OF SUBJECTS WHICH CAN BE DISCUSSED IN THEIR DISPATCHES ONLY WITH THE UTMOST CARE; NOW THEY CAN WRITE OF THESE ONLY ON THEIR OWN RESPONSIBILITY.

SOME CORRESPONDENTS EXPRESSED BELIEF THEY MAY NOW BE OBLIGED TO BE MORE CAREFUL THAN EVER, BECAUSE THE CENSOR WILL NOT NOW BE CUTTING TABOO MATERIAL FROM OUTGOING COPY. THIS COULD MEAN A CORRESPONDENT MIGHT SUDDENLY BE ASKED TO LEAVE THE U.S.S.R.

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(300)

AMS BUDGET

NIGHT LEAD SOVIET-CENSORSHIP 30.24

BY LEWIS GULICK

WASHINGTON, MARCH 23 (AP)-THE UNITED STATES TODAY CHALLENGED MOSCOW TO FOLLOW UP ITS EASING OF CURBS ON OUTGOING NEWS BY LIFTING CENSORSHIP ON WHAT GOES TO THE RUSSIAN PEOPLE.

THE U.S. VIEW WAS SPELLED OUT IN A STATE DEPARTMENT STATEMENT WELCOMING THE KREMLIN'S ANNOUNCEMENT OF AN END TO CENSORSHIP OF DISPATCHES SENT OUT OF THE SOVIET UNION BY FOREIGN CORRESPONDENTS.

PRIVATELY, U.S.OFFICIALS SAID THEY DOUBTED MOSCOW'S MOVE WOULD HAVE MUCH PRACTICAL EFFECT.

THE OFFICIAL U.S. STATEMENT EXPRESSED AMERICAN HOPES THAT SERIOUS IMPEDIMENTS TO THE FREE FLOW OF INFORMATION INTO THE U.S.S.R. FROM THE REST OF THE WORLD, SUCH AS JAMMING OF RADIO BROADCASTS AND BARS TO THE NORMAL DISTRIBUTION OF REPRESENTATIVE FOREIGN PUBLICATIONS, WILL ALSO SOON BE ABANDONED.

SOVIET SHORTWAVE RADIO NOISEMAKERS CURRENTLY JAM A NUMBER OF FREE WORLD BROADCASTS, INCLUDING ABOUT ONE THIRD OF THE VOICE OF AMERICA'S RUSSIAN-LANGUAGE TRANSMISSIONS.

THE VOICE IS THE U.S.GOVERNMENT PROPAGANDA RADIO.

WHILE THE SOVIETS OCCASIONALLY HAVE EASED UP ON THEIR RADIO JAMMING, THEY HAVE REBUFFED WESTERN EFFORTS FOR AN AGREEMENT TO ELIMINATE IT.

IN EXPRESSING SKEPTICISM THAT MUCH DIFFERENCE WILL RESULT FROM THE NEW SOVIET ORDER, AUTHORITIES HERE SAID MOST OF THE INFORMATION REACHING WESTERNERS IN MOSCOW HAS FILTERED TO THE OUTSIDE WORLD THROUGH CENSORSHIP.

STILL REMAINING, THEY NOTED, ARE TWO MAJOR CENSORSHIP WEAPONS--THE THREAT OF EXPULSION OF FOREIGN NEWSMEN WHOSE WRITINGS THE KREMLIN DOES NOT LIKE, AND THE COMMUNISTS' TIGHT CONTROL OVER INFORMATION INSIDE RUSSIA.

SINCE WORD WAR II, SIX AMERICAN NEWSMEN HAVE BEEN ORDERED OUT OF RUSSIA AND 10 REFUSED RE-ENTRY AFTER LEAVING VOLUNTARILY, ACCORDING TO STATE DEPARTMENT FIGURES.

LARGE AREAS OF THE SOVIET UNION REMAIN OFF LIMITS TO FOREIGNERS. U.S.EFFORTS TO EASE THIS RESTRICTION HAVE MET WITH NO RUSSIAN RESPONSE.

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B51

UNDATED CENSORSHIP (WITH MOSCOW) (300)

BY THE ASSOCIATED PRESS

March 23, 1961

CENSORSHIP IN ONE FORM OR ANOTHER PERSISTS IN MANY COUNTRIES. EVEN IN WESTERN EUROPE, OFFICIAL EFFORTS OFTEN ARE MADE IN FRANCE, WEST GERMANY AND OTHER COUNTRIES TO WITHHOLD, TONE DOWN OR CONTROL NEWS. THIS IS A SORT OF CENSORSHIP AT THE SOURCE, AND IT EXISTS EVEN IN SOME SECTORS OF U.S. GOVERNMENTS.

MOSCOW'S LIFTING OF DIRECT CENSORSHIP LEAVES TRAVEL RESTRICTIONS UNTouched. AND CORRESPONDENTS PRESUMABLY WILL BE EXPelled FROM MOSCOW FOR STORIES DISPLEASING TO THE GOVERNMENT. COMMUNIST POLAND FOLLOWS THIS SYSTEM OF CORRESPONDENT RESPONSIBILITY BUT IMPOSES NO TRAVEL RESTRICTIONS. COMMUNIST EAST GERMANY RESTRICTS TRAVEL BUT DOES NOT CENSOR FOREIGN CORRESPONDENTS' COPY.

IN THE MIDDLE EAST, CENSORS FROM TIME TO TIME USE THE BLUE PENCIL ON OUTGOING NEWS IN IRAQ, JORDAN, LEBANON AND SAUDI ARABIA. ISRAEL HAS MILITARY CENSORSHIP.

CORRESPONDENTS WRITING UNFAVORABLE DISPATCHES ARE HARASSED IN SUDAN.

CENSORSHIP IS INVOKED AT TIMES IN VARIOUS AFRICAN COUNTRIES, INCLUDING ETHIOPIA AND THE AREAS CONTROLLED BY PORTUGAL. THERE IS ONE-PARTY GOVERNMENT IN MANY COUNTRIES, AND THIS OFTEN RESIDES IN A PRESS UNDER THE GOVERNMENT'S THUMB. THIS IS TRUE IN SPAIN AND PORTUGAL AS WELL AS EGYPT.

OUTGOING NEWS GENERALLY FLOWS UNHAMPERED FROM ASIA, EXCEPT FOR RED CHINA, COMMUNIST NORTH VIET NAM AND NORTH KOREA, AREAS SELDOM OPENED TO NON-COMMUNIST NEWSPERSONS.

BECAUSE OF CIVIL WAR, FOREIGN CORRESPONDENTS' COPY IS SUBJECT TO CENSORSHIP IN LAOS. IN SOUTH VIET NAM, THERE IS NO DIRECT CENSORSHIP BUT FOREIGN CORRESPONDENTS HAVE BEEN EXPELLED FOR THINGS THEY WROTE.

IN LATIN AMERICA, CENSORSHIP FREQUENTLY HAS BEEN IMPOSED ON FOREIGN CORRESPONDENTS IN TIMES OF CIVIL STRIFE BUT USUALLY NEWS IS EXPORTED FREELY. OUTGOING NEWS IS CENSORED IN NICARAGUA. THE DOMINICAN REPUBLIC EXPELS FOREIGN CORRESPONDENTS WHO WRITE UNFAVORABLE STORIES ABOUT THE REGIME. CUBA'S PRESS HAS COME UNDER CASTRO CONTROL BUT FOREIGN CORRESPONDENTS CAN REPORT FREELY WHAT THEY SEE AND HEAR.

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A13

AMS BUDGET (540)

NIGHT LEAD NUCLEAR 30.24

BY TOM OCHILTREE

GENEVA, MARCH 23 (AP)-THE UNITED STATES AND BRITAIN ASKED THE SOVIET UNION TODAY TO JOIN THEM IN A PROGRAM OF PEACEFUL NUCLEAR EXPLOSIONS DESIGNED TO GIVE THE WORLD MORE SAFE HARBORS AND MAKE DESERTS BLOOM. THE SOVIET DELEGATE TOOK A DIM VIEW OF THE IDEA.

THE PROPOSAL WAS ADVANCED BY AMERICAN DELEGATE ARTHUR H. DEAN AT A 17-MINUTE MEETING OF THE NUCLEAR WEAPONS TEST SUSPENSION CONFERENCE. DEAN DECLARED NUCLEAR POWER DEPLOYED FOR PEACEFUL USES WOULD PROVIDE GREAT BENEFITS FOR ALL MANKIND--NOT JUST FOR THE THREE ATOMIC POWERS.

HE SUGGESTED THAT THE WORLD'S NEWLY EMERGING NATIONS IN ASIA AND AFRICA WERE BEING PENALIZED BY FAILURE TO GET SUCH PROJECTS STARTED. "THIS PROGRAM REPRESENTS A NEW FRONTIER IN APPLYING BASIC SCIENCE WHICH OUR SCIENTISTS ARE EAGER TO EXPLORE," DEAN DECLARED.

FOR THE SECOND DAY IN A ROW SOVIET DELEGATE SEMYON K. TSARAPKIN KEPT MUM IN THE CONFERENCE. BUT TALKING TO NEWSPERSONS AFTER THE MEETING ADJOURNED, HE EXPRESSED DOUBT ABOUT THE WHOLE CONCEPT OF PEACEFUL EXPLOSIONS.

PRESUMABLY TSARAPKIN IS AWAITING DETAILED INSTRUCTIONS FROM MOSCOW BEFORE REACTING OFFICIALLY TO THE NEW WESTERN DRIVE TO GET A NUCLEAR TEST SUSPENSION TREATY COMPLETED.

UNDER THE AMERICAN-BRITISH PLAN SUCH A PACT WOULD PROHIBIT THE TESTING OF ATOMIC AND HYDROGEN DEVICES FOR MILITARY DEVELOPMENT PURPOSES. BUT IT WOULD ALLOW SAFEGUARDED NUCLEAR EXPLOSIONS FOR SCIENTIFIC RESEARCH AND TO CARRY OUT GREAT ENGINEERING PROJECTS.

THE UNITED STATES ALREADY HAS DONE SOME PREPARATORY WORK FOR TWO SUCH PEACEFUL BLASTS. ONE WOULD BE CONDUCTED UNDERGROUND IN NEW MEXICO FOR GENERAL RESEARCH PURPOSES, INCLUDING THE STUDY OF ISOTOPES. THE OTHER CALLS FOR CONSTRUCTION OF A HARBOR IN ALASKA BY MEANS OF A 200-KILOTON BLAST, CORRESPONDING TO THE FORCE OF 200,000 TONS OF TNT.

PROJECTS OF THIS SORT COULD BE LAUNCHED ALL OVER THE WORLD IF THE RUSSIANS AGREED, THE WESTERN POWERS MAINTAIN. THE COURSES OF RIVERS COULD BE CHANGED AND MOUNTAIN RANGES PIERCED FOR IRRIGATION PURPOSES. BARRIERS TO HIGHWAYS AND RAILWAY LINES COULD BE REMOVED. SAFE ANCHORAGES COULD BE PROVIDED ON ROCKY COASTLINES. OIL COULD BE BOOSTED FROM LOW YIELD FIELDS.

BUT TSARAPKIN, TALKING WITH NEWSPERSONS, DISCLOSED THE SOVIET UNION SUSPECTED THE MOTIVES OF THE WESTERN POWERS. HE SAID:

"WE DO NOT CONSIDER THIS PROPOSAL A MOVE AHEAD BECAUSE WE DO NOT WANT ANY EXPLOSIONS AT ALL. IT IS THE AMERICANS WHO WANT TO MAKE THEM. IF THEY DO, OF COURSE, WE WANT TO LOOK AT THE DEVICES."

WE CONSIDER PEACEFUL EXPLOSIONS SOMETHING DOUBTFUL AND WE ARE NOT TOO HAPPY TO GIVE OUR CONSENT."

THE WESTERN POWERS PROPOSED THE SAME SERIES OF SAFEGUARDS FOR PEACEFUL NUCLEAR EXPLOSIONS AS THEY OFFERED YESTERDAY FOR BLASTS CONDUCTED IN THE INTEREST OF SEISMIC RESEARCH.

WHEN EITHER THE UNITED STATES OR BRITAIN DECIDE TO SET OFF A PEACEFUL SHOT, RUSSIAN SCIENTISTS AND TECHNICIANS WOULD BE ALLOWED TO SEE THE BLUEPRINTS AND EVEN THE INSIDE WORKINGS OF THE DEVICE. THE RUSSIANS ALSO WOULD BE PRESENT AT THE SITE WITH FACILITIES TO OBSERVE THE BLAST AND WOULD HAVE ACCESS TO THE RESULTING DATA. THE TWO WESTERN POWERS WOULD DEMAND IDENTICAL ARRANGEMENTS WHEN THE RUSSIANS SET OFF SUCH AN EXPLOSION.

DEAN ASKED THE SOVIET UNION TO WITHDRAW ITS OLD "ONE-FOR-ONE" PROPOSAL ON PEACEFUL USES. UNDER THIS PLAN, ADVANCED BY TSARAPKIN BACK IN 1959, THE SOVIET UNION WOULD GET TO SET OFF ONE PEACEFUL BLAST FOR EVERY ONE SET OFF BY EITHER THE UNITED STATES OR BRITAIN. "THIS HAS AN OBVIOUS DEFECT," ONE WESTERNER EXPLAINED LATER. "IF THE RUSSIANS REFUSE TO TAKE THEIR TURN THEY WOULD PREVENT THE UNITED STATES AND BRITAIN FROM CARRYING ON CONTINUING PROGRAMS."

PD313PES

S DEAN (WITH NUCLEAR)

58

GENEVA, MARCH 23 (AP)-ARTHUR H. DEAN, U.S. DELEGATE AT THE NUCLEAR TEST SUSPENSION CONFERENCE, CALLED TODAY ON THE SOVIET REPRESENTATIVE, SEMYON K. TSARAPKIN.

THE TWO MEN MET IN A ROOM OF THE SOVIET VILLA, SIPPED WINE AND ENGAGED IN A SOCIAL CHAT, AN AMERICAN SOURCE SAID. THEY WERE TOGETHER 10 MINUTES.

DEAN, 61, A LAWYER FROM ITHACA, N.Y., ACTED IN ACCORDANCE WITH DIPLOMATIC COURTESY. HE IS THE MOST RECENT ARRIVAL AT THE CONFERENCE WHICH HAS BEEN GRINDING ON FOR 2 1/2 YEARS. TSARAPKIN HAS BEEN ENGAGED IN THE NEGOTIATIONS FROM THE START.

AF612PES

A138 (260)

FIRST LEAD SPIES 30.24

BY RAYMOND E. PALMER

LONDON, MARCH 23 (AP)-PRIME MINISTER HAROLD MACMILLAN SAID TODAY HE HAS ORDERED A FULL INQUIRY INTO ROYAL NAVAL SECURITY WEAKNESSES EXPOSED BY THE OLD BAILEY SPY TRIAL.

A POLITICAL STORM BLEW UP AFTER THE TRIAL DISCLOSED THAT THE SOVIET SPY RING OPERATED UNDETECTED FOR FIVE YEARS. A SOVIET MASTER SPY, AN AMERICAN COUPLE, AND TWO BRITISH LOVERS WERE SENTENCED TO TERMS UP TO 25 YEARS YESTERDAY FOR OBTAINING AND SENDING TO MOSCOW SECRETS OF THE HUSH-HUSH UNDERWATER WEAPONS ESTABLISHMENT AT PORTLAND.

"ALL ADMIRALTY ESTABLISHMENTS HAVE BEEN DIRECTED TO REVIEW IMMEDIATELY THE OPERATIONS OF SECURITY SYSTEMS IN THEIR ESTABLISHMENTS," MACMILLAN TOLD THE HOUSE OF COMMONS.

HE SAID A COMMITTEE OF INQUIRY WILL BE APPOINTED TO FIND OUT HOW

30.24-

409

THE SPY RING WAS ABLE TO CARRY OUT ITS OPERATIONS AT THE BASE. "WHILE IT IS NOT IN THE PUBLIC INTEREST TO REVEAL THE AMOUNT OF THE DAMAGE DONE," MACMILLAN SAID, "THERE IS NO EVIDENCE TO SUGGEST THAT THE INFORMATION COVERED MORE THAN A RELATIVELY LIMITED SECTOR OF THE WHOLE FIELD OF BRITISH NAVAL WEAPONS."

MACMILLAN ADDED THAT THERE WAS "NO GROUND TO SUPPOSE THAT ANY INFORMATION BELONGING TO THE UNITED STATES OR ANY ANTO COUNTRY WAS COMPROMISED."

BRITISH SECURITY AGENTS AT THE SPY TRIAL SAID MEMBERS OF THE SPY RING WERE ARRESTED WITH NUCLEAR SUBMARINE BLUEPRINTS GIVEN TO THE ROYAL NAVY BY THE UNITED STATES. THEY IMPLIED THIS INFORMATION NEVER GOT TO MOSCOW. SAID MACMILLAN:

"IT WAS SUGGESTED THE PLANS OF THE SUBMARINE DREADNOUGHT WERE DISCLOSED. THAT IS NOT TRUE. THE ONLY DRAWINGS THAT COULD POSSIBLY BE CONNECTED WITH THE DREADNOUGHT WERE THOSE OF A SIMPLE ELECTRICAL CABLE LAYOUT."

HUGH GAITSKELL, LEADER OF THE LABOR PARTY OPPOSITION, SAID THE SPY DISCLOSURES "HAVE CAUSED A GREAT SHOCK AND SURPRISE AMONG THE PUBLIC GENERALLY" AND APPEAR "TO REVEAL VERY GRAVE DEFICIENCIES IN OUR DEFENSE ARRANGEMENTS."

MACMILLAN SAID BRITAIN MIGHT HAVE TO TAKE A FRESH LOOK AT ITS DEFENSE SECURITY ARRANGEMENTS AGAINST SOVIET SPYING.

STRANGE RADIO MOSCOW TRANSMISSIONS ON A SECRET WAVELENGTH 10 DAYS AFTER THE FIVE WERE CAUGHT LED SECURITY OFFICIALS TO BELIEVE THAT OTHER SOVIET SPIES AT LARGE IN BRITAIN WERE BEING ALERTED TO CHANGE THEIR CALL SIGNS AND CODES.

LORD CARRINGTON, FIRST LORD OF THE ADMIRALTY, ORDERED A WORLDWIDE OVERHAUL OF THE BRITISH NAVY'S SECURITY SYSTEM AND ANNOUNCED A BOARD OF INQUIRY WOULD BE SET UP TO INVESTIGATE GAPS ALREADY DISCLOSED.

BRITISH NEWSPAPERS LASHED THE SECURITY SERVICES FOR "UNBELIEVABLE SLACKNESS." LORD BEAVERBROOK'S DAILY EXPRESS RAISED THE QUESTION OF "HOW MUCH VITAL INFORMATION HAD REACHED THE RUSSIANS THROUGH THE FLAGRANT FOLLY AND INCOMPETENCE OF NAVAL INTELLIGENCE" BEFORE THE SPY RING WAS CRACKED.

THERE WERE FEARS HERE OF THE IMPACT ON JOINT BRITISH-AMERICAN MILITARY AND DIPLOMATIC PLANNING.

THE UNITED STATES BANNED SHARING ATOMIC SECRETS IN 1950. AFTER KLAUS FUCHS WAS CAUGHT GIVING THE RUSSIANS SECRETS CREDITED WITH ADVANCING CONSTRUCTION OF THE FIRST SOVIET ATOMIC BOMB 3 TO 10 YEARS. THE DISAPPEARANCE BEHIND THE IRON CURTAIN OF BRITISH DIPLOMAT GUY BURGESS AND DONALD MACLEAN AND OF ATOMIC SCIENTIST BRUNO PONTECORVO ADDED TO AMERICAN MISTRUST OF BRITISH SECURITY.

THE BRITISH NAVY SAID THE SECRETS PASSED TO THE RUSSIANS BY THE FIVE SPIES CONVICTED YESTERDAY HAD "MARKED VALUE," INCLUDING DETAILS OF THE ATOMIC SUBMARINE DREADNOUGHT, BUILT WITH THE HELP OF U.S. BLUEPRINTS. BUT PRIME MINISTER HAROLD MACMILLAN WAS UNDERSTOOD TO HAVE WRITTEN PRESIDENT KENNEDY THAT NO U.S. NAVAL OR ATOMIC SECRETS WERE COMPROMISED BY THE SPY RING.

CHIEF JUSTICE SIR HUBERT LISTER PARKER underscored the SERIOUSNESS OF THE SPYING, HOWEVER, BY IMPOSING SENTENCES OF FROM 15 TO 25 YEARS WHEN THE NORMAL MAXIMUM IS 7.

THE CASE WAS EXPECTED TO BRING CLOSER COOPERATION BETWEEN THE WESTERN ALLIES IN KEEPING TABS ON SUSPICIOUS PERSONS.

GORDON ARNOLD LONSDALE, 37, WHO GOT 25 YEARS AS THE "DIRECTING FORCE" OF THE RING, CLAIMED TO BE A CANADIAN AND REPRESENTED HIMSELF SOMETIMES AS AN AMERICAN BUT SCOTLAND YARD SAID HE ACTUALLY WAS A RUSSIAN.

THE AMERICAN COUPLE--MORRIS COHEN, 50, ALIAS KROGER, AND HIS WIFE HELEN, 47, WHO WERE GIVEN 20 YEARS, HAVE ASSOCIATED WITH COMMUNISTS SINCE THE SPANISH CIVIL WAR. SCOTLAND YARD INDICATED IN COURT THEY WERE CONNECTED WITH THE

CASES OF JULIUS AND ETHEL ROSENBERG, AMERICANS ELECTROCUTED IN 1950 FOR STEALING U.S. ATOMIC SECRETS FOR MOSCOW, AND COL. RUDOLF ABEL, SOVIET MASTER SPY ARRESTED IN 1957 AND NOW SERVING 30 YEARS IN A U.S. PRISON.

YET FOR NEARLY 10 YEARS THE COHEN-KROGERS TRAVELED AROUND THE WORLD--TO CANADA, TOKYO, SINGAPORE, VIENNA, LONDON, NEW ZEALAND AND POSSIBLY BACK AND FORTH THROUGH THE IRON CURTAIN--WITHOUT BEING SUSPECT.

THEY SHOWED UP IN ENGLAND IN 1954 WITH NEW ZEALAND PASSPORTS. FORGED CANADIAN PASSPORTS WERE ALSO FOUND IN THEIR HOME NEAR A U.S. AIR BASE.

NEW ZEALAND PRIME MINISTER KEITH HOLYOAKE HAS ORDERED AN INVESTIGATION OF HOW THEY OBTAINED NEW ZEALAND PASSPORTS. CANADA IS INVESTIGATING HOW THE FORGED CANADIAN PASSPORTS CARRIED THE ACTUAL DATES AND NUMBERS OF OTHER PASSPORTS ISSUED TO TWO CANADIANS WHO HAVE BEEN CLEARED OF ANY CONNECTION WITH THE CASE.

THE TWO BRITONS WHO STOLE THE NAVAL SECRETS FROM THE RESEARCH STATION WHERE THEY WORKED AND GAVE THEM TO LONSDALE--HARRY F. HOUGHTON, 55, AND HIS MISTRESS, ETHEL GEE, 46--EACH GOT 15 YEAR SENTENCES. HOUGHTON CLAIMED HE WAS FORCED INTO SPYING BY THREATS, AND MISS GEE TESTIFIED SHE WAS MISLED AND GOT INVOLVED THROUGH HER LOVE FOR HOUGHTON. THE JUDGE SAID MONEY WAS HER AIM.

JG421AES

A165

(AGENCIES & RADIO OUT)
AP FOREIGN SERVICE ADVANCE FOR FRIDAY AMS MARCH 24
UNDATED KHRUSHCHEV INTERPRETIVE

BY WILLIAM L. RYAN

ASSOCIATED PRESS NEWS ANALYST

(ADVANCE)... NIKITA KHRUSHCHEV DEMANDS THAT SOVIET PEOPLE FORGET ABOUT RESTING UNTIL THE WHOLE WORLD IS COMMUNIST. THAT SOUNDS LIKE THE STATEMENT OF A LEADER GAMBLING FOR TIME TO RESOLVE STUBBORN INTERNAL AND WORLD COMMUNIST CRISES.

SOVIET ACTIVITY IN SOUTHEAST ASIA MAY BE CONNECTED WITH THE SOVIET PREMIER'S HOME FRONT PERFORMANCE IN THE LAST MONTH OR SO.

KHRUSHCHEV HAS BEEN WHEELING ABOUT THE U.S.S.R., THREATENING, LASHING, SCOLDING PARTY AND ECONOMIC OFFICIALS, BLASTING THEM PITILESSLY FOR GLARING AGRICULTURAL DEFICIENCIES FOR WHICH KHRUSHCHEV HIMSELF SHARES SOME BLAME.

PEOPLE IN LEADING POSITIONS WHO WERE NOT DOING THEIR JOBS, "WINDBAGS AND IRRESPONSIBLE PEOPLE SHOULD BE RELIEVED OF THEIR POSTS," WARNED KHRUSHCHEV.

"ONE MUST NOT ONLY REMOVE SUCH LEADERS FROM FARM MANAGEMENT, BUT ALSO EXPEL THEM FROM THE PARTY BECAUSE THEY ... DISGRACE OUR COUNTRY AND OUR PARTY."

"YES, COMRADES," HE TOLD ONE MEETING. "THESE PEOPLE WHO DO GREAT HARM TO THE PEOPLE AND OUR GREAT CAUSE MUST BE COMMITTED TO PEOPLE'S COURTS. THEY MUST BE SENT WHERE THEY CAN SERVE THE DESERVED PENALTY FOR THE RUIN OF THE ECONOMY ..."

TO FRIGHTENED COMMUNIST FUNCTIONARIES, KHRUSHCHEV GROWLED: "AS TO THOSE WHO PUT UP WITH CROOKS AND THIEVES IN THE PARTY ORGANIZATIONS AND WHO NOMINATE THEM OR TRANSFER THEM TO LEADING POSTS, SUCH PEOPLE MUST BE EXCLUDED FROM THE PARTY ... WE MUST GET RID OF THESE OFFICIALS."

ANGRILY, AT STOP AFTER STOP IN HIS REMARKABLE TOUR, KHRUSHCHEV DENOUNCED OFFICIALS BECAUSE MILK, MEAT AND EGG PRODUCTION LAGGED SERIOUSLY BEHIND THE RISE IN CITY POPULATIONS. HE NAGGED THEM ABOUT GRAIN FAILURES. BUREAUCRATS, HE SNORTED, BLAMED "BREAKDOWNS."

THUNDERED KHRUSHCHEV:

"YOU CAN'T PUT BREAKDOWNS IN THE SOUP ... YOU CAN'T MAKE PANCAKES OUT OF STATISTICS!" KHRUSHCHEV HAS BEEN FIRING AND DEMOTING RIGHT AND LEFT. MANY OF THE VICTIMS HE HAD PUSHED INTO HIGH POSITIONS. NOW HE BLAMES EVERYTHING ON HIGHER OFFICIALS.

THE LOWER DOWN PEOPLE, ALONG WITH LESSER PRIVILEGED NONPARTY PEOPLE, PROFESSIONALS, ENGINEERS, PRODUCTION MEN, EVEN ARMY MEN, ARE LAPPING IT UP WITH RELISH. KHRUSHCHEV IS BUILDING A FORMIDABLE POLITICAL MACHINE FROM GRASS ROOTS.

WHY SHOULD IT BE NECESSARY?

THE COMMUNIST PARTY'S 22ND CONGRESS IN A FEW MONTHS WILL BE A TEST OF HIS STRENGTH.

AT THE INTERNATIONAL COMMUNIST CONFERENCE IN MOSCOW LAST YEAR KHRUSHCHEV WAS OBLIGED TO COMPROMISE WITH THE RED CHINESE, WHO OBVIOUSLY WERE ACCUSING HIM OF OVERESTIMATING WESTERN STRENGTH AND SURRENDERING OPPORTUNITIES TO ADD TO WORLD COMMUNISM'S REAL ESTATE HOLDINGS.

THE RED CHINESE NEWSPAPER RED FLAG IN A REVEALING ARTICLE, RECALLED AN "ANTI-CHINESE CHORUS" IN COMMUNIST RANKS IN 1959. BUT, IT SAID, WITH A NOTE OF TRIUMPH, THE MOSCOW COMMUNIST MEETING BROUGHT GREAT CHANGE, INDICATED LESSENED FEAR OF "GHOSTS AND PAPER TIGERS"-- MEANING THE WEST--AND THUS "BASICALLY DESTROYED THE ANTI-CHINESE CHORUS."

THE PRESUMPTION IS THAT KHRUSHCHEV BACKED DOWN. IT WAS THEREAFTER THAT NEW TROUBLE BEGAN IN LAOS. BUT SIGNIFICANTLY THE RED PUSH IN LAOS CAME FROM MOSCOW, NOT, AS MIGHT HAVE BEEN EXPECTED, FROM THE RED CHINESE.

LAOS MAY BE MOSCOW'S WAY OF SHOWING PEIPING IT NO LONGER FEARS PAPER TIGERS--WHILE AT THE SAME TIME HOLDING OFF THE CHINESE FROM RASHER ACTIONS ON THEIR OWN.

IF HIS MANEUVERING WITH THE LAOS CRISIS BUYS HIM TIME, KHRUSHCHEV MAY BE ABLE AGAIN TO ASSERT MONOLITHIC SOVIET LEADERSHIP OF THE WHOLE WORLD COMMUNIST MOVEMENT.

END ADVANCE FOR FRIDAY AMS; MOVED MARCH 22.

VS/JG1232AES

1961

A120WX

(200) NIGHT LEAD SPACE 30.24
WASHINGTON, MARCH 23 (AP)--GEN. LYMAN L. LEMNITZER SAID TODAY HE WAS OUT TO "UNCOVER THE CULPRIT" WHO RELEASED HIS COMMENTS ON GIVING THE AIR FORCE A VIRTUAL MONOPOLY IN SPACE DEVELOPMENTS.

LEMNITZER, WHO IS CHAIRMAN OF THE JOINT CHIEFS OF STAFF, APPEARED BEFORE THE HOUSE SPACE COMMITTEE TO "SET THE RECORD STRAIGHT." AS HE PUT IT, ABOUT HIS PART IN THE CONTROVERSIAL DEFENSE DEPARTMENT DIRECTIVE.

DENOUNCING WHAT HE CALLED "DELIBERATE MISINTERPRETATION" OF HIS VIEWS, THE FOUR-STAR GENERAL DESCRIBED AS COMPLETELY INCORRECT REPORTS SAYING HE HAD PROTESTED THE DECISION AFTER IT WAS MADE BY SECRETARY OF DEFENSE ROBERT S. McNAMARA.

LEMNITZER SAID HE HAD STARTED HIS OWN INVESTIGATION TO FIND OUT WHO GAVE OUT HIS WRITTEN COMMENTS ON THE DIRECTIVE FOUR DAYS BEFORE IT WAS ISSUED. HE SAID HE REGARDED THE "DELIBERATE, CONSCIOUS AND INTENTIONAL LEAKING OF CLASSIFIED DOCUMENTS AS REPREHENSIBLE, DISLOYAL AND CRIMINAL ACTS."

PUBLISHED REPORTS OF LEMNITZER'S PRE-ISSUE COMMENTS QUOTED HIM AS SAYING THE JOINT CHIEFS AS A BODY SHOULD HAVE HAD FULL OPPORTUNITY TO CONSIDER CAREFULLY AN ISSUE WITH SUCH FAR REACHING MILITARY SIGNIFICANCE.

UNDER QUESTIONING BY THE COMMITTEE, LEMNITZER SAID THE JOINT CHIEFS "DID NOT MEET AS A BODY OR WITH SECRETARY McNAMARA" ON THE SPACE DECISION.

HE SAID IT WAS HIS PERSONAL VIEW THAT "THOSE WHO HAVE TO USE A WEAPON IN COMBAT SHOULD HAVE THE RESPONSIBILITY FOR ITS DEVELOPMENT AND PRO-CUREMENT."

EG/CRIOPES

A86AX (280)

NIGHT LEAD POLARIS 30.24

CAPE CANAVERAL, FLA., MARCH 23 (AP)--THE NUCLEAR SUBMARINE THEODORE ROOSEVELT FIRED A RECORD THREE POLARIS MISSILES FROM BENEATH THE ATLANTIC TODAY, BUT ONLY ONE WAS SUCCESSFUL. TWO OF THEM WENT OUT OF CONTROL AND WERE DESTROYED.

THE ONLY COMPLETE SUCCESS OCCURRED ON THE SECOND LAUNCHING, WHEN THE STUBBY MISSILE SMACKED A TARGET 1,250 MILES DOWN RANGE.

THE FIRST WEAPON WAS DELIBERATELY DESTROYED DURING SECOND STAGE FLIGHT. THE THIRD WENT AWRY SHORTLY AFTER THE FIRST STAGE IGNITED.

THESE WERE THE FIRST POLARIS FIRINGS FROM THE ROOSEVELT, THE FOURTH U.S. SUBMARINE TO LAUNCH THE SOLID-FUEL WEAPON IN TEST EXERCISES.

TWO OF THE PREVIOUS SUBS, THE GEORGE WASHINGTON AND PATRICK Henry, EACH FIRED TWO MISSILES ON ONE DAY, BUT NEVER THREE. THE ROBERT E. LEE LIMITED ITSELF TO ONE-A-DAY FIRINGS WITH TEST MISSILES.

THE FOUR SUBMARINES HAVE AN OVERALL RECORD OF 10 SUCCESSES IN 18 UNDERSEA LAUNCHES.

THE MISSILES WERE UNLEASHED TODAY AS THE 380-FOOT SUBMARINE GLIDED AT A KEEL DEPTH OF ABOUT 90 FEET APPROXIMATELY 200 MILES OFF THE FLORIDA EAST COAST. TEST RESULTS WERE RADIODE TO NAVY OFFICIALS HERE.

THE FIRINGS WERE CONDUCTED FAR AT SEA TO TAKE ADVANTAGE OF NEAR-OPERATIONAL CONDITIONS.

THE NAVY SAID THE FIRST POLARIS RODE A COLUMN OF COMPRESSED AIR OUT OF ITS LAUNCH TUBE AT 11:25 A.M. (EST). IT BROKE THROUGH THE WAVES AND THE FIRST STAGE IGNITED.

THE SECOND STAGE BURST TO LIFE A MINUTE LATER, BUT AN ANNOUNCEMENT SAID IT HAD TO BE DESTROYED FOR SAFETY REASONS WHEN A MALFUNCTION CAUSED IT TO BECOME ERRATIC. THE DESTRUCT ACTION WHICH BLEW THE MISSILE APART WAS TRIGGERED BY THE RANGE SAFETY OFFICER AT CAPE CANAVERAL.

THE SECOND POLARIS POPPED TO THE SURFACE AT 2:25 P.M. AND FLEW A TRUE COURSE IN ZIPPING TO ITS TARGET IN 15 MINUTES. THE NAVY SAID EVALUATION OF TEST DATA SHOWED IT MET ALL OBJECTIVES.

THE THIRD WAS FIRED AT 5:41 P.M. AND ALSO BECAME ERRATIC BECAUSE OF TROUBLE IN THE FIRST STAGE.

RY732PES NM

A85AX

(200) 30.24

EGLIN AIR FORCE BASE, FLA., MARCH 23 (AP)--AN ADVANCED BOMARC-B INTERCEPTOR MISSILE TODAY FLEW TO AN ALTITUDE OF MORE THAN 100,000 FEET--MORE THAN 19 MILES--IN INTERCEPTING TWO WIDELY SEPARATE TARGETS. ITS FINAL INTERCEPTION WAS AT A DISTANCE OF 446 MILES FROM THE LAUNCHING SITE.

THE AIR FORCE SAID THE DISTANCE WAS FARTHER BY 100 MILES THAN ANY BOMARC HAS EVER FLOWN. THE ALTITUDE ALSO WAS DESCRIBED AS THE HIGHEST EVER REACHED BY THE DEFENSE WEAPON.

"THE DEMONSTRATED RANGE WAS FOUR TIMES LONGER THAN THAT OF ANY OTHER TYPE SURFACE-TO-AIR DEFENSE MISSILE," AN AIR FORCE SPOKESMAN SAID.

THE BOEING-BUILT BOMARC WAS LAUNCHED FROM THE NEARBY SANTA ROSA ISLAND TEST CENTER OUT OVER THE EGLEN GULF TEST RANGE SHORTLY AFTER NOON TO INTERCEPT A REGULUS II SUPERSONIC MISSILE FLYING AT AN ALTITUDE OF 55,000 FEET ABOUT 300 MILES FROM THE SITE.

JUST BEFORE IT WAS TO DIVE ON THE REGULUS, WHICH WAS FLYING AT A SPEED OF ABOUT 1,200 MILES PER HOUR, THE BOMARC RECEIVED RADIO SIGNALS DIRECTING IT TO IGNORE THE REGULUS AND TO PROCEED TO ANOTHER TARGET INTERCEPT POINT. THE OTHER INTERCEPT POINT WAS AT 100,000 FEET ALTITUDE AND FURTHER DOWN RANGE.

THIS WAS THE 19TH SUCCESSFUL LAUNCHING OF THE BOMARC-B OUT OF 21 TEST FIRINGS OVER THE EGLIN GULF TEST RANGE DURING THE PAST YEAR.
RY727PES

S 60

(200).

BERLIN, MARCH 23 (AP)-WALTER ULRICH, EAST GERMAN ^{30.24} COMMUNIST LEADER, CALLED TODAY FOR A DECISIVE FIGHT AGAINST THE FLOW OF REFUGEES TO THE WEST. ABOUT 500 TO 600 REFUGEES FLEE COMMUNIST RULE IN GERMANY EVERY DAY. MOST OF THEM TAKE THE COMPARATIVELY EASY ROUTE THROUGH BERLIN.

"WE CAN NO LONGER HANDLE THESE QUESTIONS SO CARELESSLY," ULRICH TOLD HIS PARTY'S CENTRAL COMMITTEE. THE MEETING WAS HELD IN EAST BERLIN LAST WEEKEND. ULRICH'S SPEECH WAS PUBLISHED TODAY IN THE OFFICIAL PARTY DAILY, NEUES DEUTSCHLAND.

VALUABLE CITIZENS ARE LEAVING, SAID ULRICH, BECAUSE OFFICIALS DEAL WITH THEM IN A "BUREAUCRATIC AND UNFEELING" WAY. THEY ARE ALSO BEING LURED AWAY BY THE WEST GERMANS, HE CHARGED. HE CALLED IT THE DUTY OF COMMUNIST OFFICIALS TO CHECK EACH CASE, FIND THE CAUSE OF THE FLIGHT "AND IMMEDIATELY DRAW THE NECESSARY CONCLUSIONS."

ULBRICH PROPOSED THAT THE TWO PARTS OF GERMANY SET UP A PEACE COMMISSION TO BRING REUNIFICATION CLOSER. THE DELEGATIONS SHOULD HAVE EQUAL RIGHTS, HE SAID. IT IS EXPECTED THE PROPOSAL WILL BE IGNORED OR REJECTED BY THE WEST GERMAN FEDERAL REPUBLIC, WHICH DOES NOT RECOGNIZE ULRICH'S REGIME.

ULBRICH REPEATED THE COMMUNIST PROPOSAL TO MAKE WEST BERLIN A FREE DEMILITARIZED CITY. THIS HAS ALREADY BEEN REJECTED BY THE WESTERN POWERS.

RQ1122AES

B35WX (SEG)

(320) GALBRAITH ^{30.24}
WASHINGTON, MARCH 23 (AP)-PRESIDENT KENNEDY'S NEW AMBASSADOR TO INDIA SAYS U. S. FOREIGN AID HAS SHOWN "INCOHERENCE, DISCONTINUITY, DISPERSAL OF SCARCE ENERGIES AND WASTE" WHICH CANNOT BE REMEDIED UNDER THE PRESENT AID SYSTEM.

JOHN KENNETH GALBRAITH, AN AUTHOR OF THE REVAMPED LONG-RANGE AID PROGRAM WHICH KENNEDY ASKED OF CONGRESS YESTERDAY, SET FORTH HIS VIEWS IN AN ARTICLE IN THE CURRENT ISSUE OF THE MAGAZINE "FOREIGN AFFAIRS." GAL-

BRAITH WAS A HARVARD ECONOMICS PROFESSOR WHEN KENNEDY PICKED HIM FOR THE NEW DELHI POST.

ACCORDING TO GALBRAITH'S ANALYSIS, MUCH AMERICAN AID HAS BEEN OF LITTLE USE BECAUSE IT FOCUSED ON THE SUPPLY OF CAPITAL TO BUILD UP UNDER-DEVELOPED COUNTRIES WHEN OTHER INGREDIENTS ALSO WERE NEEDED.

GALBRAITH SAID AT LEAST THESE FOUR REQUIREMENTS, BESIDES CAPITAL, ARE NEEDED FOR ECONOMIC DEVELOPMENT:

1. A SUBSTANTIAL AMOUNT OF LITERACY AMONG THE PEOPLE BEING AIDED WITH A NUMBER OF THEM POSSESSING SKILLS NEEDED TO RUN A GOVERNMENT AND HANDLE TECHNICAL TASKS.

2. A SYSTEM OF SOCIAL JUSTICE IN WHICH THE INDIVIDUAL GETS A SHARE OF THE ECONOMIC ADVANCE, THUS AN INCENTIVE TO CONTRIBUTE TO IT.

3. A RELIABLE GOVERNMENT ADMINISTRATION.

4. A CLEAR PURPOSE ON WHAT THE ECONOMIC DEVELOPMENT IS SUPPOSED TO ACCOMPLISH.

"IN PRACTICE, ONE OR MORE OF THESE FOUR FACTORS IS MISSING IN MOST OF THE POOR COUNTRIES, AND EACH IS AS CRITICAL AS CAPITAL," GALBRAITH SAID. "THEREFORE, THE ONLY SUCCESSFUL DEVELOPMENT WILL BE THAT WHICH SUPPLIES THE MISSING ELEMENTS."

TO ILLUSTRATE HIS POINT, GALBRAITH SAID HIGHER CAPITAL INVESTMENT ALONE IN IRAQ, CUBA OR LAOS WOULD NOT SAVE THE SITUATION. HE SAID THE ON THE OTHER HAND ISRAEL, WITH SPARSE NATURAL RESOURCES, HAS SHOWN GREAT ADVANCE BECAUSE IT POSSESSES THE OTHER REQUIREMENTS.

"INDIA AND PAKISTAN," HE ADDED, "AND PERHAPS ALSO GHANA AND NIGERIA ARE OTHER COUNTRIES WHERE THE REQUIREMENTS OF DEVELOPMENT OTHER THAN EXTERNAL AID ARE PRESENT OR LARGELY PRESENT.

"THUS, INDIA HAS A LARGE LITERATE MINORITY AND A HIGHLY EDUCATED ELITE, A CONSIDERABLE IF STILL HIGHLY UNEVEN MEASURE OF SOCIAL JUSTICE, AN EFFECTIVE ADMINISTRATION AND A FAIRLY CLEAR SENSE OF DIRECTION. AS A RESULT, AND DESPITE THE CRUSHING PROBLEMS IMPOSED BY TRADITION AND POPULATION GROWTH, INDIA HAS BEEN MAKING A SUBSTANTIAL MEASURE OF INDUSTRIAL PROGRESS."

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A27WX (BJT)

(410) ADVANCE FOR 6:30 PM EST TODAY

AMS BUDGET

FOREIGN AID

(ADVANCE) WASHINGTON, MARCH 23 (AP)-SECRETARY OF THE TREASURY DOUGLAS DILLON SAYS BRITAIN NOW IS MAKING A FOREIGN AID EFFORT ROUGHLY IN SCALE WITH THAT OF THE UNITED STATES.

BUT DILLON SAID THIS COUNTRY HAS HAD MUCH LESS SUCCESS IN PERSUADING WEST GERMANY TO SHOULDER A PROPORTIONATE PART OF THE BURDEN OF HELPING UNDERDEVELOPED COUNTRIES. HE SAID JAPAN IS CARRYING OUT A FAIRLY REASONABLE PROGRAM, BUT COULD DO MORE.

DILLON, WHO AS UNDERSECRETARY OF STATE IN FORMER PRESIDENT DWIGHT D. EISENHOWER'S ADMINISTRATION SUPERVISED THE U.S. FOREIGN AID PROGRAM, GAVE HIS VIEWS AT A CLOSED-DOOR SESSION OF A HOUSE APPROPRIATIONS SUB-COMMITTEE FEB. 16. THE TRANSCRIPT WAS MADE PUBLIC TODAY.

DILLON SAID IN REPLY TO A QUESTION THE UNITED STATES HAS HAD SOME SUCCESS DURING THE PAST TWO YEARS IN PERSUADING ALLIES TO HELP THIS COUNTRY EXTEND FOREIGN AID TO UNDERDEVELOPED COUNTRIES.

HE CONTINUED:

"GREAT BRITAIN, FOR INSTANCE, IN THE PAST TWO OR THREE YEARS HAS ABOUT DOUBLED THE AMOUNT OF MONEY THEY PUT INTO THE FOREIGN AID FIELD, SO THEY ARE FOOTING SOMewhat LESS THAN \$500 MILLION OF GOVERNMENTAL AID PER YEAR NOW. FOR ENGLAND THAT IS ROUGHLY COMPARABLE ON A RELATIVE SCALE TO WHAT WE ARE DOING.

"AS TO GERMANY WE HAVE HAD MUCH LESS SUCCESS. WE HAVE BEEN TALKING TO THEM FOR QUITE SOME TIME. ORIGINALLY THEY DID NOT EVEN AGREE THIS

WAS ADVISABLE. NOW THEY ALL DO. . .

"THEY HAVE ANNOUNCED A VERY LARGE ONE-TIME PROGRAM WHICH THEY ARE IN THE PROCESS OF RAISING THE MONEY FOR, WHICH AMOUNTS TO SOME \$1 BILLION."

DILLON SAID WHAT IS IMPORTANT IS "THE AMOUNT THEY SPEND EVERY YEAR." HE SAID THAN WHEN FOREIGN MINISTER HEINRICH VON BRENTANO VISITED PRESIDENT KENNEDY SOON AFTER THE LATTER'S INAUGURATION, "HE DID TELL THE PRESIDENT THAT GERMANY WOULD PLAN TO HAVE A LONG-TERM PROGRAM."

"HE DID NOT SAY HOW BIG IT WOULD BE," DILLON CONTINUED. "I PERSONALLY DO NOT THINK THAT THEIR PROGRAM OF GOVERNMENT LONG-TERM DEVELOPMENT FINANCING WILL BE \$1 BILLION A YEAR. I THINK THEY COULD AFFORD A SOMEWHAT LARGER PROGRAM OF THIS TYPE THAN THE UNITED KINGDOM, FOR EXAMPLE. . ."

"IN THE CASE OF JAPAN, THEY ARE CARRYING OUT A FAIRLY COMPREHENSIVE AND LARGE REPARATIONS PROGRAM RIGHT NOW. THEY HAVE AGREEMENTS WITH SOUTH VIET NAM, INDONESIA, BURMA AND THE PHILIPPINES AND THAILAND, AND THE TOTAL OF ALL THIS PLUS EXPORTER CREDITS AND PRIVATE INVESTMENTS AMOUNTS TO NEARLY \$200 MILLION A YEAR.

"IN ADDITION THEY MAKE RELATIVELY SMALL AMOUNTS AVAILABLE FOR WHAT YOU WOULD CALL FOREIGN AID ON EASY, SOFT LOAN TERMS TO INDIA AND PAKISTAN. THE OVER-ALL TOTAL MAY BE APPROACHING \$250 MILLION.

"THAT IS PROBABLY A FAIRLY REASONABLE AMOUNT FOR JAPAN ALTHOUGH WE THINK THEY CAN INCREASE THAT AND PARTICULARLY THE LONG-TERM GOVERNMENT FINANCING PORTION, AND WE ARE TRYING TO PERSUADE THEM TO INCREASE IT."

JK412PES

End March 23, 1961